



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "MOU") is made and entered into by and among the WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, a Utah water conservancy district (the "District"), the STATE OF UTAH ("Utah") acting by and through the Utah Department of Natural Resources and the SHIVWITS BAND OF THE PAIUTE INDIAN TRIBE OF UTAH (the "Shivwits Band").

RECITALS

A. Washington County is one of the fastest growing counties in Utah and in order to meet its future water supply needs it will be necessary to develop additional sources of water. Utah and the District are undertaking studies and conducting investigations to determine the feasibility of constructing additional projects to make water available for the residents of Washington County.

B. The Shivwits Band anticipates the need for an additional water supply to meet the future needs of the members of the Shivwits Band. The Shivwits Reservation is located in Santa Clara River Drainage Basin in Washington County and is more particularly shown on the attached map, Exhibit "A", incorporated by reference herein.

C. The parties hereto agree to work in a cooperative manner to assist the Shivwits Band in securing additional water in the future for use on the Shivwits Reservation in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE the parties enter into this Memorandum of Understanding and agree as follows:

1.0 Shivwits Band Domestic Water

1.1 The Shivwits Band currently receives its domestic water supply pursuant to a contract with St. George City. However, the Shivwits Band anticipates that it may need an additional supply of domestic water to meet future needs of the Shivwits Band.

1.2 The District is currently supplying water to residents of Washington County in the vicinity of the Shivwits Reservation and anticipates that it will develop additional water projects to meet the water supply needs in this area of Washington County.

1.3 The District and the Shivwits Band agree to work cooperatively to meet the domestic water supply requirements of the Shivwits Band. The Shivwits Band shall advise the District as far in advance as reasonably possible of its anticipated requirements for this additional water. The District agrees to use its best efforts to make water available to meet future domestic water requirements of the Shivwits Band.